

ITEM #: _____
DATE: 7-13-10

COUNCIL ACTION FORM

SUBJECT: REPORT OF BIDS FOR IOWA STATE UNIVERSITY VETERINARY MEDICINE (VET MED) SUBSTATION CIRCUIT BREAKERS

BACKGROUND:

On June 8, 2010, City Council approved preliminary plans and specifications for Vet Med Substation Circuit Breakers. The complete project is the expansion of the Veterinary Medicine Electrical Substation which is needed to accommodate Iowa State University's Veterinary Medicine Campus load additions, football stadium load additions, and Ames' load additions south of Highway 30 and along 16th Street in the vicinity of the Vet Med Substation. The project has been advanced to accommodate ISU's advanced schedule for the Vet Med Campus load additions. It has also been increased in scope and cost to include an additional transformer to better accommodate Ames' and ISU's future needs for capacity and reliable service in this area.

Bid documents for the circuit breakers were issued to five (5) firms. The bid was advertised on the Current Bid Opportunities section of the Purchasing webpage and a Legal Notice was published in the Ames Tribune.

On June 30, 2010, two (2) bids were received as shown on the attached report. Electric Services staff along with an engineer from Dewild Grant Reckert & Associates (DGR) Company reviewed the bids. After their evaluation, they concluded that the lowest **qualified bid** in the amount of \$192,715.64, submitted by Mitsubishi Electric, Warrendale, PA, is acceptable. WESCO Distribution did submit a bid that was lower in cost, but it was determined to be non-responsive since the breakers the company proposed did not meet the technical specifications regarding operating speed.

The Engineer's estimate of the cost of these four circuit breakers is \$190,000. Staff is continuing to work with Mitsubishi to arrive at mutually agreeable contract language. This Council Action Form is merely reporting bids and requesting that Council delay award at this time. The approved FY2010/11 CIP for Electric Services includes \$3,600,000 for engineering, materials and construction of this project, with Iowa State University contributing an estimated \$1,489,727 to the cost of the project. To date, the project budget has the following items encumbered (includes the pending transformer award and report of bids on the circuit breakers being presented to Council on this meeting agenda):

| | | |
|-------|-----------------------|--|
| 1. | \$390,880.00 | A cost-not-to-exceed for engineering services (DGR contract) |
| 2. | \$190,000.00 | Estimated cost for four circuit breakers- this item (reporting of bids and delaying award at this time) |
| 3. | \$1,059,362.38 | Actual cost for two transformers (pending Council award under a separate item on this Council meeting agenda. This total includes the 7% sales tax to be paid directly to the State of Iowa by the City of Ames) |
| 4. | \$197,000.00 | Estimated cost for Electrical Materials (pending Council approval of plans and specifications under a separate item on this Council meeting agenda) |
| 5. | \$750,000.00 | Estimated cost for two 15kV Metalclad Switchgear assemblies (pending Council approval of plans and specifications under a separate item on this Council meeting agenda) |
| 6. | <u>\$1,012,757.62</u> | Construction, contingency and minor materials (future agenda) |
| Total | | \$3,600,000 |

ALTERNATIVES:

1. Accept report of bids and delay award of contract for the Vet Med Substation Circuit Breakers.
2. Reject all bids and delay the purchase of the circuit breakers for the Vet Med Substation.

MANAGER'S RECOMMENDED ACTION:

This project is necessary to accommodate both City and Iowa State University load requirements in the Vet Med Substation area. The schedule for this project is crucial as a result of new electric load being installed in 2011. Iowa State University has ordered new chiller equipment for its Veterinary Medicine Campus expansion which requires that the planned Vet Med Substation additions be in service no later than May 11, 2011. Existing transformer and feeder capacity at this substation is inadequate to support these new ISU load additions and Electric Services will be unable to meet the required in-service schedule if this circuit breaker bid is delayed.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby accepting report of bids and delaying award of contract for Circuit Breakers for the Vet Med Substation.



**INVITATION TO BID NO. 2010-218
VET MED SUBSTATION CIRCUIT
BREAKERS**

| BIDDER | TOTAL | ALTERNATE |
|--|----------------|--------------|
| Mitsubishi Electric, Warrendale, PA | \$ 192,715.64 | \$ 97,457.82 |
| Wesco Distribution, Des Moines, IA | Non-responsive | |